Introduction

The *Yellow Pages*® Small Business Index™ is an ongoing series of surveys designed to track confidence and behaviour in the small business sector.

The primary objectives of the Index are to track small business activity over the past three months; expectations over both the next three and 12 months; and to measure overall confidence within the small business community. A second purpose is to provide an independent, objective assessment of proprietors' experience and attitudes on key issues.

The Index is an initiative of Yellow Pages Australia as part of its commitment to this vital business sector and is conducted by the research firm Brian Sweeney and Associates. Economic advice is provided by economic consultants, Marsden Jacob Associates. Dr. John Marsden is the former chief economist of Capel Court, National Mutual Royal Bank and the Australian Bankers Association.

About the Survey

The Index is the largest economic survey of small business in Australia and focuses specifically on businesses employing 19 people or fewer.

The Index uses a panel of at least 1,200 randomly selected small business proprietors who are interviewed by telephone every three months.

The panel was drawn from all metropolitan and non-metropolitan regions of Australia. Quotas are set on geographical location and type of business to produce the standard sample structure shown opposite. Where replacement panellists are recruited, this sample structure is maintained.

Because this is a quota sample, at the analysis stage results are weighted by selected ANZSIC divisions within the metro and non-metro region of each state or territory to reflect the actual small business population distribution. The ABS Business Register as at June 1995 is used to weight the sample to be representative of the total business population.

Interviewing for this latest (August 1997) survey was conducted over the period 23rd July to 5th August 1997. The report covers the experience over the past three months (May, June and July) and expectations for both the current quarter (August, September, October) and the 12 months ending August, 1998.

Location of Business

	TOTAL	METRO	NON-METRO
NSW	200	160	40
VIC	200	160	40
QLD	200	110	90
SA	150	130	20
WA	150	130	20
TAS	100	60	40
NT	100	60	40
ACT	100	100	—
TOTAL	1200	910	290

Division

MANUFACTURING	215
BUILDING/CONSTRUCTION	215
WHOLESALE/RETAIL	215
TRANSPORT/STORAGE	125
FINANCE/PROPERTY/BUSINESS SERVICES	215
RECREATION/PERSONAL & OTHER SERVICES	215
TOTAL SAMPLE	1200

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Small Business Outlook - National Summary

CONFIDENCE IN PROSPECTS OVER THE NEXT 12 MONTHS

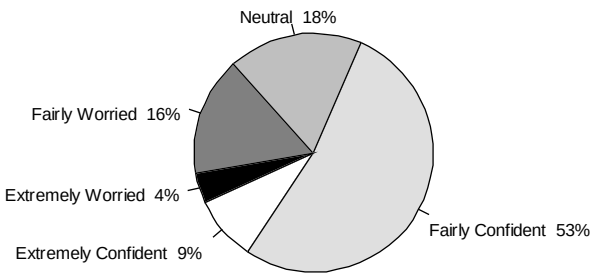
Small business confidence remains low, little changed over the past five quarters.

Confidence lifted strongly in the two territories but fell in Queensland, South Australia and Western Australia.

Confidence is now highest in the Northern Territory and lowest in Queensland.

Across the sectors, small business confidence fell in Transport and Storage, was little changed in Personal Services and rose in other sectors.

Overall Confidence - August 1997



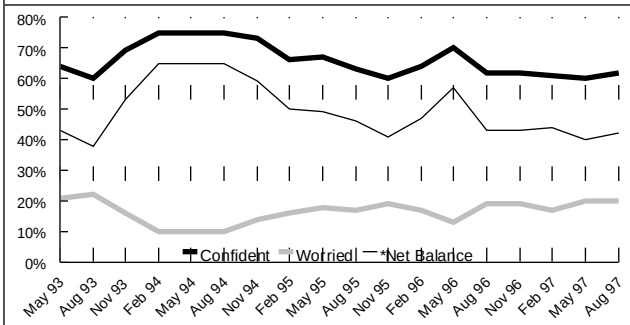
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Confidence Trends - Past Five Quarters

	Aug 96	Nov 96	Feb 97	May 97	Aug 97
Extremely Confident	10%	9%	7%	8%	9%
Fairly Confident	52%	53%	54%	52%	53%
Neutral	19%	19%	22%	20%	18%
Fairly Worried	16%	16%	14%	16%	16%
Extremely Worried	3%	3%	3%	4%	4%
Total Confident	62%	62%	61%	60%	62%
Total Worried	19%	19%	17%	20%	20%
***NET BALANCE**	**+43%**	**+43%**	**+44%**	**+40%**	**+42%**

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Confidence - Long Term Trends



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Trends By State
***Net Balance**

	Aug 96	Nov 96	Feb 97	May 97	Aug 97
NATIONAL	43%	43%	44%	40%	42%
NSW	43%	43%	47%	43%	52%
VIC	48%	47%	40%	39%	42%
QLD	32%	31%	38%	28%	23%
SA	53%	48%	48%	57%	50%
WA	54%	60%	58%	51%	48%
TAS	29%	35%	28%	24%	32%
NT	63%	78%	51%	51%	77%
ACT	17%	40%	35%	6%	31%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Trends By Sector
***Net Balance**

	Aug 96	Nov 96	Feb 97	May 97	Aug 97
All Businesses	43%	43%	44%	40%	42%
Manufacturing	38%	37%	49%	34%	39%
Building/Construction	40%	40%	33%	37%	45%
Wholesale/Retail	25%	35%	33%	24%	28%
Transport/Storage	30%	28%	34%	48%	32%
Business Services	63%	54%	60%	49%	54%
Personal Services	51%	49%	48%	53%	52%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

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**Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.*

ECONOMIC OUTLOOK

Small businesses' perceptions of the economy remain strongly negative, with more than 80% of proprietors surveyed in August seeing the economy in recession or at a standstill.

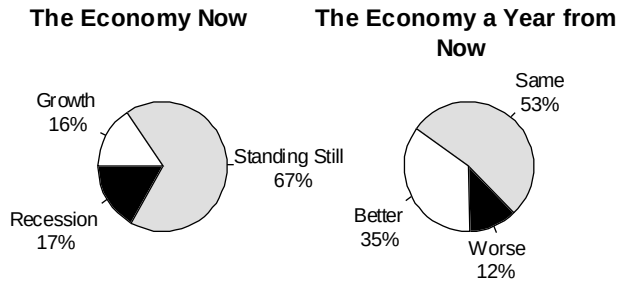
Small businesses in Victoria and South Australia are the most positive in their assessment of the current state of the economy but the most negative in Queensland and the Northern Territory.

Expectations for an improved economy in 12 months firmed nationally and, particularly, in Western Australia and the ACT. Expectations for an improved economy are strongest in New South Wales.

Across the sectors, more small businesses in Manufacturing, Building/Construction and Wholesale/ Retail see the economy as in recession than in growth.

Expectations of an improved economy over the next 12 months are strongest in Business Services.

The Economy



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Perceptions of the Economy - Trends

	Aug 96	Nov 96	Feb 97	May 97	Aug 97
THE ECONOMY NOW					
Growth	17%	20%	17%	19%	16%
Recession	17%	18%	16%	18%	17%
***Net Balance**	**0%**	**2%**	**1%**	**1%**	**-1%**
THE ECONOMY A YEAR FROM NOW					
Better	39%	46%	38%	30%	35%
Worse	14%	11%	12%	13%	12%
***Net Balance**	**25%**	**35%**	**26%**	**17%**	**23%**

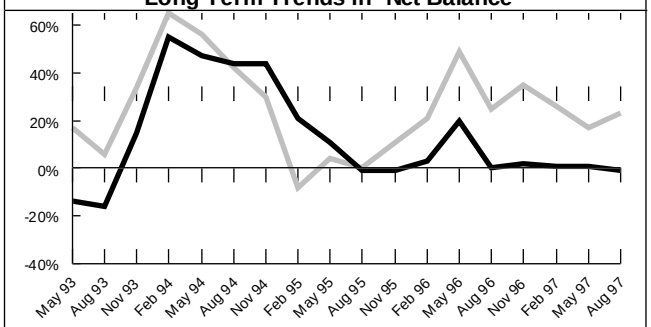
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Perceptions of the Economy by State

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
THE ECONOMY NOW								
Growth	17%	22%	9%	20%	13%	18%	9%	17%
Recession	16%	17%	21%	10%	17%	25%	19%	18%
***Net Balance**	**1%**	**5%**	**-12%**	**10%**	**-4%**	**-7%**	**-10%**	**-1%**
THE ECONOMY A YEAR FROM NOW								
Better	41%	32%	30%	31%	30%	33%	16%	38%
Worse	11%	13%	16%	9%	6%	13%	9%	15%
***Net Balance**	**30%**	**19%**	**14%**	**22%**	**24%**	**20%**	**7%**	**23%**

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Perceptions of The Economy
Long Term Trends in *Net Balance



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

**Net balance is defined as the difference between the percentage with a positive outlook and the percentage with a negative outlook.*

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EXPECTATIONS ON KEY INDICATORS OVER THE NEXT 12 MONTHS

Nationally, expectations on key indicators of small business activity for the next 12 months firmed slightly, with proprietors in New South Wales showing the largest expected upswing in employment.

Profit expectations for the next 12 months were little changed but fell among Victorian proprietors.

Across the sectors, the Building/Construction industry continues to have the weakest sales expectations.

Sales, profit, employment and investment growth expectations for the 12 months ahead are strongest in the Business and Personal Services sectors.

Expectations On Key Indicators Over The Next 12 Months - August 1997

	Expect An Increase	Expect A Decrease	*Net Balance
Value of sales	65%	9%	56%
Size of workforce	27%	5%	22%
Wages bill	43%	7%	36%
Prices charged	44%	4%	40%
Profitability	62%	11%	51%
Capital expenditure	37%	20%	17%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Expectations On Key Indicators Over Next 12 Months - Trends in *Net Balance

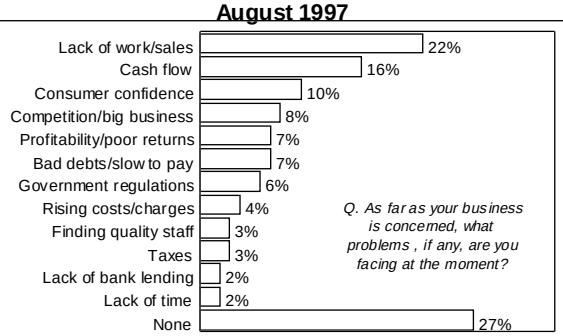
	May 96	Aug 96	Nov 96	Feb 97	May 97	Aug 97
Value of sales	66%	57%	58%	61%	53%	56%
Size of workforce	24%	19%	23%	21%	20%	22%
Wages bill	39%	35%	38%	36%	32%	36%
Prices charged	45%	38%	41%	40%	41%	40%
Profitability	61%	53%	50%	54%	50%	51%
Capital expenditure	15%	16%	18%	16%	13%	17%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

CONCERNS

Levels of concern changed little over the last three months. Lack of work and cash flow remain the dominating problems, with the level of concern over cash flow having risen over the quarter.

Prime Concerns
August 1997



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

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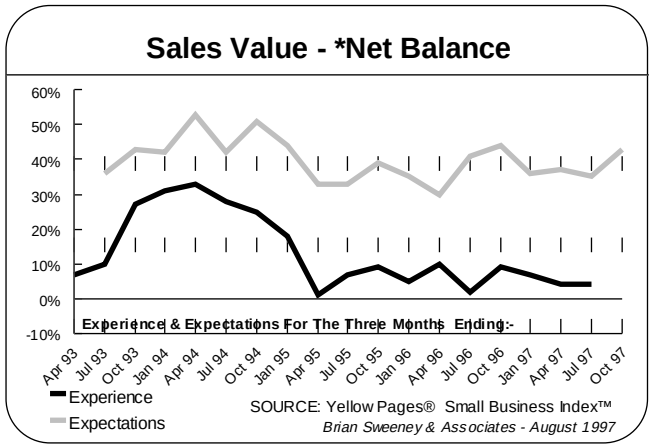
SALES



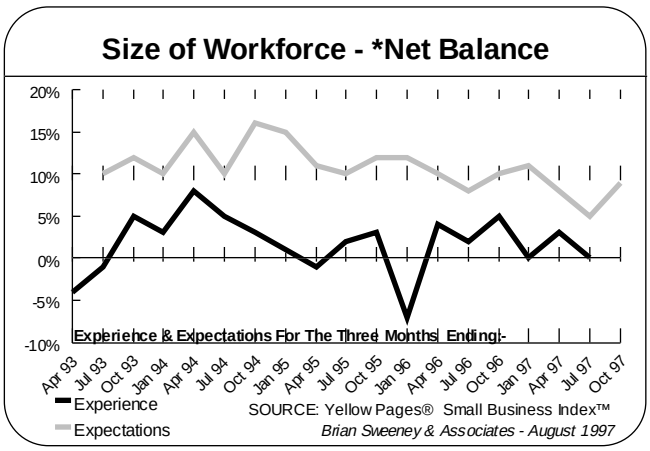
Nationally, sales growth in the past quarter was modest and stable.

Again, there was considerable variation across the states and territories and between sectors.

Sales growth lifted in New South Wales, Northern Territory and the ACT but fell sharply in South Australia.

Expectations for sales growth in the current quarter firmed nationally, particularly in Western Australia, Tasmania and the ACT.

EMPLOYMENT



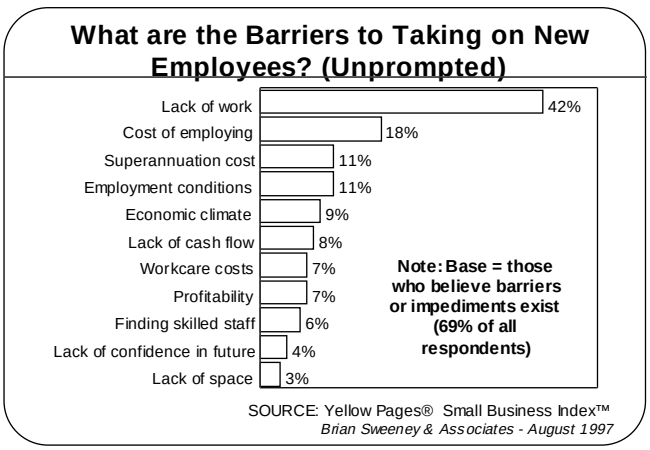
There was zero employment growth nationally in the quarter ending July.

Strong employment growth was recorded in the Northern Territory but the number of proprietors reporting job falls exceeded the number reporting job rises in Queensland, South Australia and Tasmania.

Employment expectations for the current three months firmed slightly.

Across the sectors, employment in the past three months fell in Building/Construction, Transport/Storage and Personal Services.

Expected employment growth in the current three months is strongest in Manufacturing.



Nearly seven in ten proprietors (69%) reported impediments to taking on new employees. **Lack of work** is most likely to be mentioned in this context, with the **on costs of employing** (superannuation, in particular), **employment conditions** and the **economic climate** also seen as significant issues.

**Net balance is defined as the difference between the percentage reporting an increase and the percentage reporting a decrease.*

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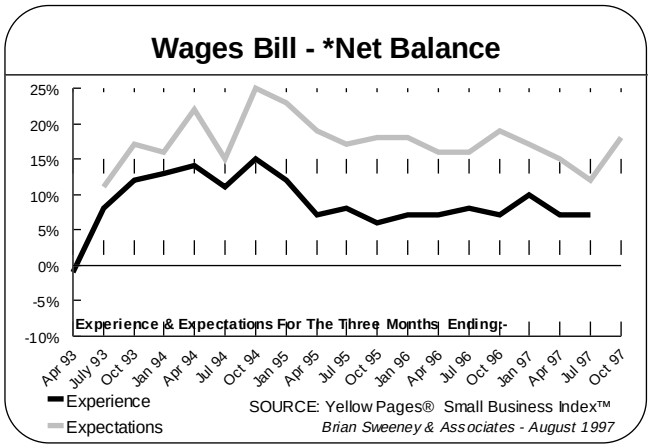
WAGES BILL

Wages growth was stable over the past three months but growth is expected in the current quarter.



PROFITABILTY & CAPITAL EXPENDITURE

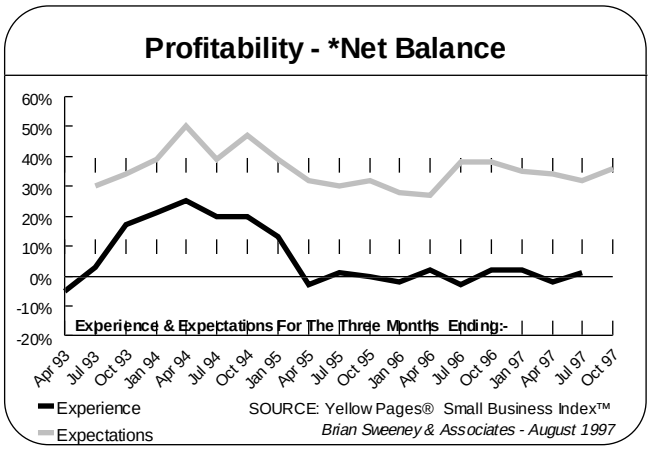
Nationally, profit growth firmed over the past quarter, and a further improvement is expected in the current quarter.

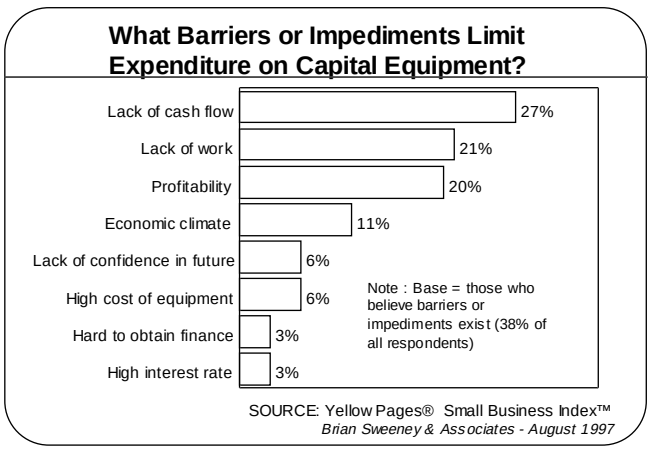
Profit growth rose sharply in the Northern Territory but was strongly negative in Queensland and Tasmania.

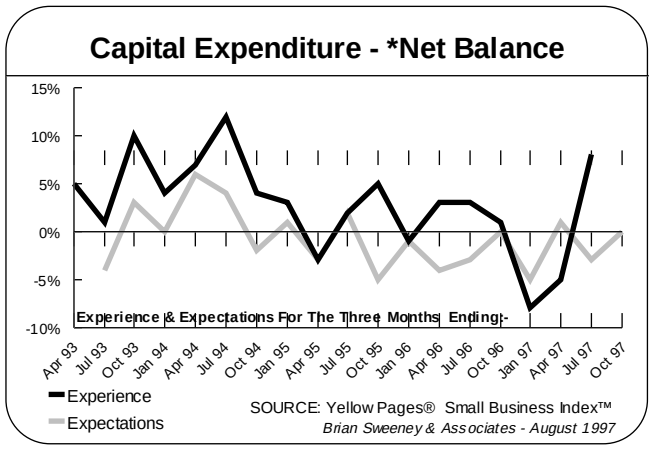
The expected growth in profitability in the current quarter is strongest in Western Australia and in Business and Personal Services.

Capital expenditure rebounded sharply to its highest level since July 1994.

Nearly 40% of small business proprietors reported barriers to investment - unchanged from the previous quarter. The prime impediments remain lack of cash flow, lack of work, poor profitability and the economic climate.







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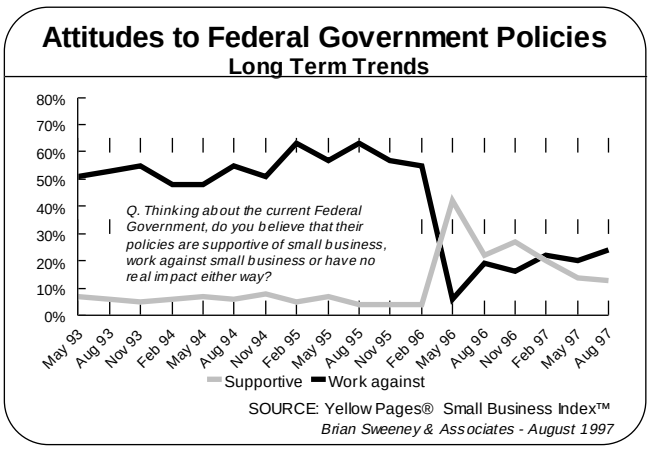
ASSESSMENT OF FEDERAL GOVERNMENT POLICIES

A net 11% now see Federal Government policies as **unsupportive** of small business. This represents a dramatic turnaround from the net 36% who saw the policies as **supportive** following the last Federal Election.

Proprietors in Western Australia and Tasmania have the most negative assessments.



Attitudes to Federal Government Policies
Past Five Quarters

	Aug 96	Nov 96	Feb 97	May 97	Aug 97
Supportive	22%	27%	20%	14%	13%
Work against	19%	16%	22%	20%	24%
No impact	59%	57%	58%	66%	63%
****Net Balance**	**+3%**	**+11%**	**-2%**	**-6%**	**-11%**

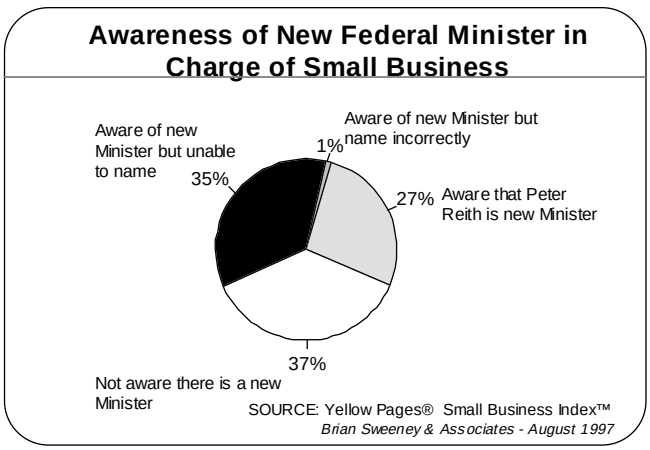
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

AWARENESS & ATTITUDES TO CHANGE OF MINISTER

Nearly two-thirds of small business proprietors are aware of the change of the Federal Minister for Small Business and 27% can correctly name Peter Reith as the new incumbent.

Awareness that Mr. Reith is the new Minister is above average in Victoria (37%) and the ACT (40%) but is well below average in the Northern Territory (9%), Tasmania (17%) and South Australia (14%).

Among those who are aware of the change, half say it is welcome, 29% are openly opposed to it, with a further 21% ambivalent about the issue.



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PRIORITIES FOR GOVERNMENT AND THE NEW MINISTER

Small businesses were asked:

"What one issue do you believe the new Minister or the Government in general needs to be addressing most urgently to help small business?"

"...and what other issues do you think they should be addressing?"

Small businesses rank tax reform and getting employment, confidence and the economy moving as joint number one priorities for the Government.

Some 17% of small business proprietors spontaneously identified **employment, confidence** and the **economy** as the most urgent issues to be addressed, with 30% mentioning these issues in total. Some 16% identified **tax reform** generally and specific tax issues (other than level and incentives) as the most urgent priorities. Twenty-nine percent mentioned these taxation issues in total.

Industrial relations issues and **reducing red tape** should also be seen as a high Government priority according to small business proprietors surveyed. Further cuts in **interest rates** were of minor importance, with only 6% of respondents mentioning this spontaneously as an issue.

To assess further policy steps that the Government should be taking to help small business, respondents were asked to rate the importance of a series of possible initiatives. The **need to get the economy moving** and the **restoration of consumer confidence** again emerge as the most pressing issues for Government - both nominated as vitally important by about 60% of proprietors surveyed. **Red tape reductions** and **tax incentives for employment** are also high priorities.

What Should the Government be Addressing? (Unprompted) - Grouped Responses

	Most Urgent	Total Mentions
Economy/confidence/ employment	17%	30%
Tax reform issues	16%	29%
Industrial relations	12%	26%
Red tape/bureaucracy	10%	18%
Interest rates	3%	6%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

What Should the Government be Addressing? (Unprompted)

	Most Urgent	Total Mentions
Tax reform	10%	19%
Unemployment	6%	15%
Cut red tape/reduce bureaucracy	5%	12%
Lower taxes	5%	10%
Make it easier to employ people	4%	9%
Less paperwork	4%	9%
Support small business	3%	8%
Unfair dismissal laws	3%	8%
Improve consumer confidence	4%	7%
Tax incentives	3%	6%
Introduce GST	2%	6%
Superannuation	1%	5%
Improve economy	3%	4%
Don't reduce tariffs	2%	4%
Lower interest rates	2%	3%
Less imports	2%	3%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

PERSPECTIVE ON TAX REFORM AND THE GST

Small businesses see tax reform as a top priority for Government and the new Minister, but they see it as needing to cover much more than the introduction of a GST.

Company tax, sales tax, payroll and provisional tax, capital gains tax and FBT, plus general simplification of the whole tax system were spontaneously identified.

The need for a broad view of tax reform is highlighted by the fact that 16% of all proprietors see tax reform issues in total as the most urgent priority but only 2% see GST in this light.

Nonetheless, when asked about a GST specifically, 24% saw it as vitally important and a further 24% rated it as very important.

The high priority that small business attaches to tax reform is consistent with previous results from the Index.

In particular, these issues were raised in the Small Business Deregulation Task Force, which called on data from the *Yellow Pages*® Small Business Index™ in August 1996.

In the August 1996 Index, small businesses reported tax compliance costs of $5,000-$6,000 p.a. For these businesses employing fewer than 20 people, proprietors spent over 140 hours on taxation matters. The larger firms within this group spent up to 200 hours on these issues.

At that time, for those businesses actually paying each tax, sales tax and FBT were seen as most in need of simplification.

Areas Most in Need of Simplification
August 1996

	Proportion spending time in this area	Proportion of these who see this area as MOST in need of simplification
Sales tax	38%	32%
FBT	29%	31%
Income/company tax	98%	18%
Superannuation Guarantee	66%	9%
Group tax	67%	6%
Workers' compensation	74%	5%

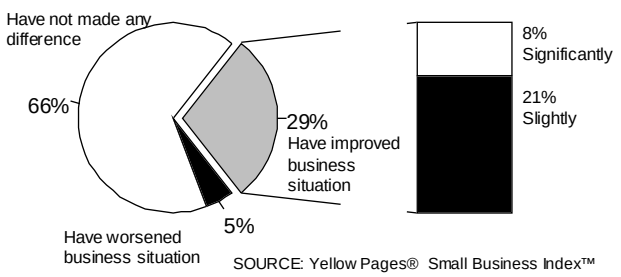
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1996

INTEREST RATES

The majority of small business proprietors (66%) claim that cuts in interest rates over the last year have made no difference to their business situation. About three in ten (29%) feel that their situation **has** improved, with 8% of the opinion that the improvement has been significant.

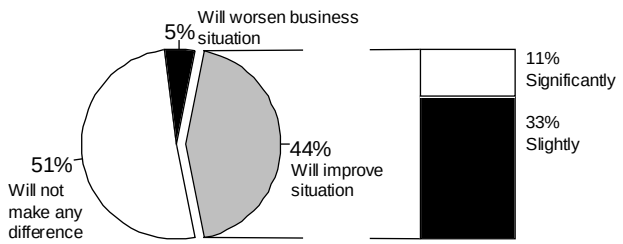
Almost half believe that their situation will improve in the future as a result of past cuts in interest rates and a similar proportion believe that an additional cut of 1% would improve their situation further.

Effects of Interest Cuts Over the Past Year



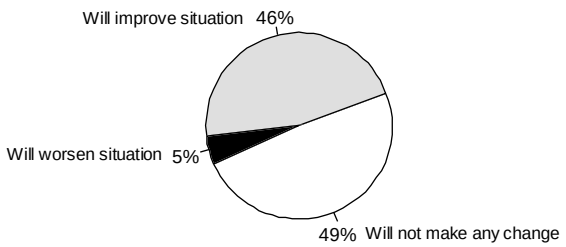
SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Effect of Further 1% Cut in Interest Rates in Near Future



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Effect of Interest Cuts on Future Business Prospects



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

SMALL BUSINESS AND EXPORTS

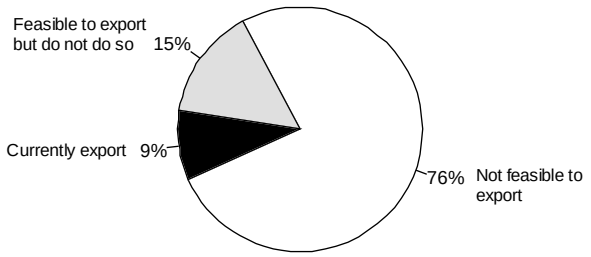
Nine percent of small businesses currently export, with a further 15% believing it feasible for their business to do so.

Of those seeing exports as feasible, about half (49%) plan to start exporting at some time in the future.

Exporters, on average, reported that just under 20% of their total turnover is generated offshore.

Lack of finance is reported to be the main impediment to establishing export markets.

Exports



SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

THE IMPACT OF PAULINE HANSON AND THE ONE NATION PARTY

Proprietors were asked:

"Some business owners claim that their business has or could be harmed by the debate on multiculturalism and other issues surrounding Pauline Hanson and the One Nation Party. Is this having a negative impact on your business?"

Four percent of all small business proprietors (but 19% of those who export) believe that their businesses are being negatively affected.

Businesses in the Northern Territory exhibit the highest level of concern.

Effect of Pauline Hanson and One Nation Party

	Total	Export	Do not export
Having a negative effect	4%	19%	3%
Not having a negative effect	96%	81%	97%

SOURCE: Yellow Pages® Small Business Index™
Brian Sweeney & Associates - August 1997

Small Business Outlook - National

- Confidence low and little changed.
- Sales growth stable, expectations stronger.
- Capital expenditure strengthened year end, expectations firm.
- Increasingly negative assessment of Federal policies.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NATIONAL

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1995 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	62	62	61	60	62
	NEGATIVE	19	19	17	20	20
	NET BALANCE	**+43**	**+43**	**+44**	**+40**	**+42**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	35	39	38	35	36	53	48	50	47	51
	DECREASE	33	30	31	31	31	9	12	13	12	8
	NET BALANCE	**+2**	**+9**	**+7**	**+4**	**+5**	**+44**	**+36**	**+37**	**+35**	**+43**
SIZE OF WORKFORCE:	INCREASE	14	14	14	13	12	13	15	13	9	13
	DECREASE	12	9	14	10	12	3	4	5	4	4
	NET BALANCE	**+2**	**+5**	**0**	**+3**	**0**	**+10**	**+11**	**+8**	**+5**	**+9**
WAGES BILL:	INCREASE	22	19	23	20	21	25	24	23	18	23
	DECREASE	14	12	13	13	14	6	7	8	6	5
	NET BALANCE	**+8**	**+7**	**+10**	**+7**	**+7**	**+19**	**+17**	**+15**	**+12**	**+18**
PRICES:	INCREASE	14	16	17	18	15	21	19	22	21	17
	DECREASE	11	10	8	9	13	5	3	4	4	5
	NET BALANCE	**+3**	**+6**	**+9**	**+9**	**+2**	**+16**	**+16**	**+18**	**+17**	**+12**
PROFITABILITY:	INCREASE	31	34	34	31	31	49	47	47	45	45
	DECREASE	34	32	32	33	30	11	12	13	13	9
	NET BALANCE	**-3**	**+2**	**+2**	**-2**	**+1**	**+38**	**+35**	**+34**	**+32**	**+36**
CAPITAL EXPENDITURE:	INCREASE	24	23	17	20	26	22	19	22	21	23
	DECREASE	21	22	25	25	18	22	24	21	24	23
	NET BALANCE	**+3**	**+1**	**-8**	**-5**	**+8**	**0**	**-5**	**+1**	**-3**	**0**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

Small Business Outlook - NSW

- Sales, profit and investment growth stronger.
- Employment growth low and stable.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NSW

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	63	63	61	62	69
	NEGATIVE	20	20	14	19	17
	NET BALANCE	**+43**	**+43**	**+47**	**+43**	**+52**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	37	42	36	33	38	53	54	52	52	54
	DECREASE	33	29	33	29	27	8	10	15	10	9
	NET BALANCE	**+4**	**+13**	**+3**	**+4**	**+11**	**+45**	**+44**	**+37**	**+42**	**+45**
SIZE OF WORKFORCE:	INCREASE	16	14	17	12	15	14	17	14	12	13
	DECREASE	10	8	17	10	12	2	4	7	3	4
	NET BALANCE	**+6**	**+6**	**0**	**+2**	**+3**	**+12**	**+13**	**+7**	**+9**	**+9**
WAGES BILL:	INCREASE	25	17	23	21	22	24	24	23	17	26
	DECREASE	13	11	14	11	12	6	5	9	5	4
	NET BALANCE	**+12**	**+6**	**+9**	**+10**	**+10**	**+18**	**+19**	**+14**	**+12**	**+22**
PRICES:	INCREASE	14	20	17	19	15	22	15	18	25	16
	DECREASE	14	11	9	10	14	8	5	5	4	5
	NET BALANCE	**0**	**+9**	**+8**	**+9**	**+1**	**+14**	**+10**	**+13**	**+21**	**+11**
PROFITABILITY:	INCREASE	30	36	31	29	32	50	50	46	49	47
	DECREASE	33	32	37	31	25	9	12	17	11	9
	NET BALANCE	**-3**	**+4**	**-6**	**-2**	**+7**	**+41**	**+38**	**+29**	**+38**	**+38**
CAPITAL EXPENDITURE:	INCREASE	27	21	14	21	27	26	16	22	19	25
	DECREASE	16	25	18	23	15	21	25	14	19	16
	NET BALANCE	**+11**	**-4**	**-4**	**-2**	**+12**	**+5**	**-9**	**+8**	**0**	**+9**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Small Business Outlook - Victoria

- Confidence stable to firmer.
- Strong rise in year end capital expenditure.
- Expectations for sales and workforce stronger.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - VICTORIA

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	63	62	60	59	61
	NEGATIVE	15	15	20	20	19
	NET BALANCE	**+48**	**+47**	**+40**	**+39**	**+42**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	33	38	40	39	37	52	45	53	46	48
	DECREASE	30	25	29	26	29	7	9	10	13	6
	NET BALANCE	**+3**	**+13**	**+11**	**+13**	**+8**	**+45**	**+36**	**+43**	**+33**	**+42**
SIZE OF WORKFORCE:	INCREASE	12	15	13	14	15	15	17	13	6	14
	DECREASE	12	8	13	6	9	3	1	3	4	5
	NET BALANCE	**0**	**+7**	**0**	**+8**	**+6**	**+12**	**+16**	**+10**	**+2**	**+9**
WAGES BILL:	INCREASE	22	21	22	22	23	27	25	25	17	22
	DECREASE	11	9	10	8	14	8	5	5	7	4
	NET BALANCE	**+11**	**+12**	**+12**	**+14**	**+9**	**+19**	**+20**	**+20**	**+10**	**+18**
PRICES:	INCREASE	14	13	20	19	16	21	26	22	21	19
	DECREASE	9	9	6	7	13	4	2	4	5	5
	NET BALANCE	**+5**	**+4**	**+14**	**+12**	**+3**	**+17**	**+24**	**+18**	**+16**	**+14**
PROFITABILITY:	INCREASE	30	36	42	37	32	51	48	53	48	42
	DECREASE	32	29	28	28	28	10	9	10	14	9
	NET BALANCE	**-2**	**+7**	**+14**	**+9**	**+4**	**+41**	**+39**	**+43**	**+34**	**+33**
CAPITAL EXPENDITURE:	INCREASE	22	26	18	20	27	20	22	26	26	24
	DECREASE	21	20	32	24	14	25	24	24	27	30
	NET BALANCE	**+1**	**+6**	**-14**	**-4**	**+13**	**-5**	**-2**	**+2**	**-1**	**-6**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

Small Business Outlook - Queensland

- Confidence again lower.
- Sales, profits and investment growth negative.
- Jobs growth sharply negative but expectations firmer.
- Sales and profitability expectations also firmer.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - QUEENSLAND

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	56	55	58	54	49
	NEGATIVE	24	24	20	26	26
	NET BALANCE	**+32**	**+31**	**+38**	**+28**	**+23**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	33	36	40	33	34	54	45	48	45	51
	DECREASE	36	38	32	41	39	10	16	16	13	10
	NET BALANCE	**-3**	**-2**	**+8**	**-8**	**-5**	**+44**	**+29**	**+32**	**+32**	**+41**
SIZE OF WORKFORCE:	INCREASE	17	11	11	13	8	7	8	11	10	15
	DECREASE	14	11	10	15	17	5	6	6	4	6
	NET BALANCE	**+3**	**0**	**+1**	**-2**	**-9**	**+2**	**+2**	**+5**	**+6**	**+9**
WAGES BILL:	INCREASE	18	21	25	18	16	22	24	18	22	23
	DECREASE	21	17	14	20	18	6	10	12	7	7
	NET BALANCE	**-3**	**+4**	**+11**	**-2**	**-2**	**+16**	**+14**	**+6**	**+15**	**+16**
PRICES:	INCREASE	13	11	9	18	10	22	16	31	14	15
	DECREASE	9	9	11	11	12	5	2	5	5	3
	NET BALANCE	**+4**	**+2**	**-2**	**+7**	**-2**	**+17**	**+14**	**+26**	**+9**	**+12**
PROFITABILITY:	INCREASE	31	29	33	25	26	46	41	45	40	44
	DECREASE	38	39	33	41	39	13	17	15	15	10
	NET BALANCE	**-7**	**-10**	**0**	**-16**	**-13**	**+33**	**+24**	**+30**	**+25**	**+34**
CAPITAL EXPENDITURE:	INCREASE	23	25	20	19	24	21	19	18	20	21
	DECREASE	30	21	27	30	25	24	26	27	29	28
	NET BALANCE	**-7**	**+4**	**-7**	**-11**	**-1**	**-3**	**-7**	**-9**	**-9**	**-7**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Small Business Outlook - SA

- Confidence fall back.
- Weaker sales, employment and profit.
- Expectations for profitability weaker.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - SA

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	69	63	60	67	66
	NEGATIVE	16	15	12	10	16
	NET BALANCE	**+53**	**+48**	**+48**	**+57**	**+50**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	44	43	40	36	29	55	52	47	47	46
	DECREASE	30	23	20	25	30	7	9	8	11	13
	NET BALANCE	**+14**	**+20**	**+20**	**+11**	**-1**	**+48**	**+43**	**+39**	**+36**	**+33**
SIZE OF WORKFORCE:	INCREASE	10	14	16	12	6	11	11	15	8	11
	DECREASE	9	8	13	11	12	2	5	2	2	4
	NET BALANCE	**+1**	**+6**	**+3**	**+1**	**-6**	**+9**	**+6**	**+13**	**+6**	**+7**
WAGES BILL:	INCREASE	26	18	24	18	20	29	22	27	22	20
	DECREASE	11	9	11	14	17	4	5	3	4	8
	NET BALANCE	**+15**	**+9**	**+13**	**+4**	**+3**	**+25**	**+17**	**+24**	**+18**	**+12**
PRICES:	INCREASE	23	18	16	18	16	18	16	25	23	18
	DECREASE	12	11	8	11	7	2	2	4	2	5
	NET BALANCE	**+11**	**+7**	**+8**	**+7**	**+9**	**+16**	**+14**	**+21**	**+21**	**+13**
PROFITABILITY:	INCREASE	38	36	35	31	25	53	47	48	45	41
	DECREASE	32	22	21	30	30	10	10	10	11	13
	NET BALANCE	**+6**	**+14**	**+14**	**+1**	**-5**	**+43**	**+37**	**+38**	**+34**	**+28**
CAPITAL EXPENDITURE:	INCREASE	24	25	19	19	21	20	18	21	24	23
	DECREASE	15	18	28	25	29	16	26	27	24	18
	NET BALANCE	**+9**	**+7**	**-9**	**-6**	**-8**	**+4**	**-8**	**-6**	**0**	**+5**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

Small Business Outlook - WA

- Confidence marginally eased.
- Sales eased, other indicators stable.
- Rebound in sales and profit expectations.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - WA

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	68	72	70	64	67
	NEGATIVE	14	12	12	13	19
	NET BALANCE	**+54**	**+60**	**+58**	**+51**	**+48**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	36	40	35	39	38	53	45	47	35	58
	DECREASE	36	32	33	31	35	17	11	10	14	5
	NET BALANCE	**0**	**+8**	**+2**	**+8**	**+3**	**+36**	**+34**	**+37**	**+21**	**+53**
SIZE OF WORKFORCE:	INCREASE	12	21	16	12	11	15	15	16	8	11
	DECREASE	11	11	13	11	7	5	5	5	4	2
	NET BALANCE	**+1**	**+10**	**+3**	**+1**	**+4**	**+10**	**+10**	**+11**	**+4**	**+9**
WAGES BILL:	INCREASE	18	23	17	11	21	26	26	24	14	19
	DECREASE	10	13	15	11	13	4	5	9	6	2
	NET BALANCE	**+8**	**+10**	**+2**	**0**	**+8**	**+22**	**+21**	**+15**	**+8**	**+17**
PRICES:	INCREASE	14	16	22	15	17	24	25	18	20	19
	DECREASE	10	9	5	7	11	4	2	4	3	7
	NET BALANCE	**+4**	**+7**	**+17**	**+8**	**+6**	**+20**	**+23**	**+14**	**+17**	**+12**
PROFITABILITY:	INCREASE	33	40	31	33	34	48	46	43	35	51
	DECREASE	34	32	29	34	32	16	9	11	14	5
	NET BALANCE	**-1**	**+8**	**+2**	**-1**	**+2**	**+32**	**+37**	**+32**	**+21**	**+46**
CAPITAL EXPENDITURE:	INCREASE	21	15	19	19	26	20	20	18	20	15
	DECREASE	20	23	26	25	16	19	19	21	22	24
	NET BALANCE	**+1**	**-8**	**-7**	**-6**	**+10**	**+1**	**+1**	**-3**	**-2**	**-9**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Small Business Outlook - Tasmania

- Stronger confidence in own business prospects.
- Sales and profit growth negative but improved.
- Sales and profit expectations much stronger.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - TASMANIA

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	52	55	49	51	54
	NEGATIVE	23	20	21	27	22
	NET BALANCE	**+29**	**+35**	**+28**	**+24**	**+32**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	37	24	33	20	27	43	45	32	31	44
	DECREASE	47	33	32	41	41	18	14	14	24	8
	NET BALANCE	**-10**	**-9**	**+1**	**-21**	**-14**	**+25**	**+31**	**+18**	**+7**	**+36**
SIZE OF WORKFORCE:	INCREASE	10	10	11	9	4	8	11	4	3	6
	DECREASE	11	7	5	12	17	7	5	9	12	4
	NET BALANCE	**-1**	**+3**	**+6**	**-3**	**-13**	**+1**	**+6**	**-5**	**-9**	**+2**
WAGES BILL:	INCREASE	19	13	19	16	21	19	20	12	15	12
	DECREASE	12	12	9	23	18	8	8	7	11	5
	NET BALANCE	**+7**	**+1**	**+10**	**-7**	**+3**	**+11**	**+12**	**+5**	**+4**	**+7**
PRICES:	INCREASE	14	17	19	18	15	22	18	19	16	19
	DECREASE	16	3	2	10	7	3	1	0	4	4
	NET BALANCE	**-2**	**+14**	**+17**	**+8**	**+8**	**+19**	**+17**	**+19**	**+12**	**+15**
PROFITABILITY:	INCREASE	30	13	29	19	24	39	46	37	29	40
	DECREASE	49	31	35	46	47	19	14	11	24	6
	NET BALANCE	**-19**	**-18**	**-6**	**-27**	**-23**	**+20**	**+32**	**+26**	**+5**	**+34**
CAPITAL EXPENDITURE:	INCREASE	18	21	17	19	20	27	24	11	17	20
	DECREASE	29	20	18	28	30	17	23	25	41	20
	NET BALANCE	**-11**	**+1**	**-1**	**-9**	**-10**	**+10**	**+1**	**-14**	**-24**	**0**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

Small Business Outlook - NT

- Growth in all indicators much stronger, especially employment - reflecting seasonal factors.
- Growth expectations for sales, workforce, profitability much weaker.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - NT

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	76	86	66	66	85
	NEGATIVE	13	8	15	15	8
	NET BALANCE	**+63**	**+78**	**+51**	**+51**	**+77**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	47	38	33	35	44	49	40	41	71	53
	DECREASE	20	26	39	33	29	15	27	15	8	11
	NET BALANCE	**+27**	**+12**	**-6**	**+2**	**+15**	**+34**	**+13**	**+26**	**+63**	**+42**
SIZE OF WORKFORCE:	INCREASE	19	7	10	17	37	23	12	15	35	10
	DECREASE	7	33	29	40	11	9	12	12	4	8
	NET BALANCE	**+12**	**-26**	**-19**	**-23**	**+26**	**+14**	**0**	**+3**	**+31**	**+2**
WAGES BILL:	INCREASE	37	35	27	23	34	34	17	20	43	15
	DECREASE	14	18	20	25	14	12	18	16	7	11
	NET BALANCE	**+23**	**+17**	**+7**	**-2**	**+20**	**+22**	**-1**	**+4**	**+36**	**+4**
PRICES :	INCREASE	9	21	17	12	13	23	15	20	25	23
	DECREASE	7	4	7	8	12	2	4	3	6	3
	NET BALANCE	**+2**	**+17**	**+10**	**+4**	**+1**	**+21**	**+11**	**+17**	**+19**	**+20**
PROFITABILITY:	INCREASE	43	38	32	36	39	50	41	36	55	49
	DECREASE	12	19	33	31	18	12	23	14	7	16
	NET BALANCE	**+31**	**+19**	**-1**	**+5**	**+21**	**+38**	**+18**	**+22**	**+48**	**+33**
CAPITAL EXPENDITURE:	INCREASE	29	33	18	39	46	11	30	22	32	31
	DECREASE	20	18	28	11	14	25	24	25	24	18
	NET BALANCE	**+9**	**+15**	**-10**	**+28**	**+32**	**-14**	**+6**	**-3**	**+8**	**+13**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

Small Business Outlook - ACT

- Confidence, sales and profit rebound.
- Employment and investment growth stable.
- Stronger growth expectations for current three months.

TRENDS IN PAST THREE MONTHS' EXPERIENCE AND CURRENT QUARTER EXPECTATIONS - ACT

SOURCE: Yellow Pages® Small Business Index™

		AUG 1996 %	NOV 1996 %	FEB 1997 %	MAY 1997 %	AUG 1997 %
CONFIDENCE IN OWN BUSINESS PROSPECTS IN NEXT 12 MONTHS	POSITIVE	54	59	58	46	56
	NEGATIVE	37	19	23	40	25
	NET BALANCE	**+17**	**+40**	**+35**	**+6**	**+31**

		ACTUAL EXPERIENCE DURING:					EXPECTATIONS FOR:				
		MAY-JUL 1996 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1996 %	NOV-JAN 96/97 %	FEB-APR 1997 %	MAY-JUL 1997 %	AUG-OCT 1997 %
SALES VALUE:	INCREASE	25	41	37	26	41	52	39	56	35	46
	DECREASE	39	34	34	47	26	16	25	12	21	8
	NET BALANCE	**-14**	**+7**	**+3**	**-21**	**+15**	**+36**	**+14**	**+44**	**+14**	**+38**
SIZE OF WORKFORCE:	INCREASE	9	19	12	17	13	15	21	11	2	15
	DECREASE	17	10	11	13	11	3	7	5	2	3
	NET BALANCE	**-8**	**+9**	**+1**	**+4**	**+2**	**+12**	**+14**	**+6**	**0**	**+12**
WAGES BILL:	INCREASE	18	23	25	18	16	25	24	23	12	25
	DECREASE	19	12	16	14	9	8	11	7	10	9
	NET BALANCE	**-1**	**+11**	**+9**	**+4**	**+7**	**+17**	**+13**	**+16**	**+2**	**+16**
PRICES:	INCREASE	16	10	8	15	13	17	12	21	25	12
	DECREASE	10	16	9	13	7	5	8	2	4	4
	NET BALANCE	**+6**	**-6**	**-1**	**+2**	**+6**	**+12**	**+4**	**+19**	**+21**	**+8**
PROFITABILITY:	INCREASE	24	37	34	22	33	50	39	51	37	41
	DECREASE	41	33	38	54	27	19	24	13	24	10
	NET BALANCE	**-17**	**+4**	**-4**	**-32**	**+6**	**+31**	**+15**	**+38**	**+13**	**+31**
CAPITAL EXPENDITURE:	INCREASE	22	18	13	17	20	22	26	24	18	27
	DECREASE	20	21	23	18	17	28	21	19	19	18
	NET BALANCE	**+2**	**-3**	**-10**	**-1**	**+3**	**-6**	**+5**	**+5**	**-1**	**+9**

** Net balance is defined as the difference between the percentage of small businesses reporting an increase and the percentage reporting a decrease.*

Yellow Pages®

YELLOW PAGES SMALL BUSINESS INDEX "SPECIAL REPORTS"

Since the inception of the Small Business Index, a range of Special Reports has been produced. Major reports include:

SOCIAL ISSUES - NOVEMBER 1993

WOMEN IN BUSINESS - JULY 1994 & FEBRUARY 1996

INDUSTRIAL RELATIONS AND THE NEW NATIONAL TRAINING WAGE - SEPTEMBER 1994

ATTITUDES TO GOVERNMENT - OCTOBER 1994 & NOVEMBER 1995

THE IMPACT OF THE DROUGHT ON RURAL SMALL BUSINESS - NOVEMBER 1994

SMALL BUSINESS GROWTH ASPIRATIONS AND THE ROLE OF EXPORTS - FEBRUARY 1995

TECHNOLOGY IN THE SMALL BUSINESS SECTOR - JULY 1995, JULY 1996, AUGUST 1997

FINANCE & BANKING ISSUES - AUGUST 1995

Other special topics investigated include NSW Bushfires, the Sydney Olympics, Exports, Australian Made and other Credential Advertising, and Employment Skills and Training.

For further information on these reports, please contact: Yellow Pages Australia
Public Relations Department
PH: (03) 9246 4767
FAX: (03) 9246 4876

The regular *Yellow Pages* Small Business Index reports are updated each quarter (February, May, August and November). The latest report can be accessed on Australia's *Yellow Pages* site on the Internet:
http://www.yellowpages.com.au/sbr/sbindex

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In Australia, Pacific Access has traded as Yellow Pages Australia with commercial responsibility for the sales, marketing, billing, compilation and customer service operations to produce 70 Yellow Pages® directories nationally.

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